



October 18, 2012

Jennifer J. Johnson, Secretary  
Board of Governors of the Federal Reserve System  
20<sup>th</sup> Street and Constitution Avenue, N.W.  
Washington, D.C. 20551  
Docket No. R-1430; RIN No. 7100-AD87  
Docket No. R-1442; RIN No. 7100-AD87

Office of the Comptroller of the Currency  
250 E Street, S.W. Mail Stop 2-3  
Washington, D.C. 20219  
Docket ID OCC-2012-0008  
Docket ID OCC-2012-0009

Robert E. Feldman, Executive Secretary  
Attention: Comments/Legal ESS  
Federal Deposit Insurance Corporation  
550 17<sup>th</sup> Street, N.W.  
Washington, D.C. 20429  
FDIC RIN 3064 – AD95  
FDIC RIN 3064 – AD96

RE: Proposed Basel III Capital Requirements

To Whom It May Concern:

This letter is meant to express our concerns over the proposed implementation of the Basal III capital requirements. Our bank is a member of the Conference of State Bank Supervisors (CSBS) and supports comments submitted by CSBS on this important legislation.

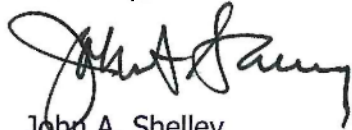
Community banks serve as a source of credit to various individuals and small businesses in communities where, if a negative impact on a community bank's ability to fund necessary endeavors to maintain and enhance the community in their respective marketplace, the community's future will be in jeopardy. As community banks go, so grow the communities. The allegiances and interaction between spiritual and stable educational foundations coupled with a progressive, proactive and involved community bank provides satisfactory, intangible returns to all involved. Over the last months, the regulatory burden has had an indelible affect on budgets and the future success of community banks. The implementation of any future regulatory proposals will have a tremendous negative impact on the community bank's willingness and ability to serve their communities.

The regulatory burden is high and has created uncertainty in my community bank and thus, will have an adverse impact on our ability to help promote and support our communities.

We do not want to sacrifice safety and soundness or current capital soundness, yet community banks with the continued burden of regulatory interference and rulemaking will certainly fade into non-existence. Continued compliance issues with regard to mortgage lending have made it nearly impossible to originate mortgage lending, which certainly is the bedrock of our communities and many communities throughout Oklahoma and the entire nation. This is not to say that any community bank wishes to skirt standard mortgage lending practices; however, many mortgage demands in communities do not qualify in today's secondary market environment. Thus, the community bank is the lender of last resort for mortgage lending albeit underwritten in a fair, just, reasonable, and prudent way.

In summary, further rule-making and required compliance issues, including the implementation of the Basal III capital requirements, will drive community banks out of their ability to help communities grow and thrive. Jobs will be lost, communities will be reduced in size and strength, and community banks will ultimately fail to exist.

Sincerely,

A handwritten signature in black ink, appearing to read "John A. Shelley". The signature is fluid and cursive, with the first name "John" being more prominent.

John A. Shelley  
President and CEO

JAS:bap

cc: Board of Directors/Bank of Union  
Compliance Department/Bank of Union  
Craig Buford, President/Community Bankers Association of Oklahoma  
Roger Beverage, President/Oklahoma Bankers Association